THE MINISTER OF STATE OF THE MINISTRY OF STEEL (SHRI BRAJ KISHORE TRIPATHY): (a) and (b) An Expert Committee, headed by Dr. Nitish Sengupta, was set up on export strategy for Indian Steel Industry. The Committee submitted its report to the Government in 1997 on the basis of which government took necessary follow up action which *inter-alia* included:

(i) A Steel Exporters Forum (SEF) has been set up for promoting export of Iron & Steel and to resolve common problems being faced by all Iron & Steel exporters in the country. The SEF has representatives from the major steel producers associations and Central Government Ministries such as Steel, Finance, Surface Transport, Railways & Commerce.

(ii) An Empowered Committee has been constituted to approve specific research projects and to provide overall direction to the total research efforts on Iron & Steel in the country.

(iii) The Ministry of Steel has recommended for higher allocation of funds for development of ports & infrastructural facilities to facilitate exports of Iron & Steel.

(iv) Duty Entitlement Pass Book (DEPB) rates for exports of specific iron and steel items have rationalized.

(c) Till the recent financial crisis the South East Asian countries have been the largest importer of steel from India. However, after the Asian crisis, the region got transformed into a net exporter of steel. With the resurgence of these economies, the exports of Iron & Steel to these countries from India may increase.

Modernisation of IISCO

† 894. SHRI GOPALSINH G. SOLANKI: Will the Minister of STEEL be pleased to state:

(a) whether a proposal for modernisation of Indian Iron and Steel Company is pending with Government for a long time;

(b) if so, the present status thereof; and

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† Original notice of the Question was received in Hindi.

(c) the steps taken by Government for the revival and modernisation of this company?

THE MINISTER OF STATE OF THE MINISTRY OF STEEL (SHRI BRAJ KISHORE TRIPATHY): (a) to (c) Indian Iron and Steel Company (IISCO) has been under reference to BIFR since June, 1994. With a view to revive the company and ensure its future viability, Government had allowed SAIL to convert IISCO into a joint venture, with SAIL holding a minority share holding. Accordingly, SAIL had invited suitable parties to express their interest in such a joint venture. Three companies have been shortlisted and their offers are being currently evaluated.

Restructuring package for Steel Plants

895. SHRI B.J. PANDA: Will the Minister of STEEL be pleased to state:

(a) whether Government have prepared some restructuring package for the Steel Plants under the Steel Authority of India Ltd. (SAIL);

(b) if so, the fund earmarked for implementing the restructuring package; and

(c) the steps taken to implement the restructuring package?

THE MINISTER OF STATE OF THE MINISTRY OF STEEL (SHRI BRAJ KISHORE TRIPATHY): (a) The financial and business restructuring package for SAIL that has been approved by the Government includes, *inter-alia,* waiver of loans advanced to it from Steel Development Fund (SDF) to a value of Rs. 5073 crores and Rs. 381 crores from the Govt, of India, Government guarantee of Rs. 3,000 crores (with 50% interest subsidy for loan and interest on Rs. 1500 crores) for raising funds from the market to finance VRS scheme for reduction of manpower and meeting repayment obligation on past loans. Business restructuring envisages divestment of the following non-core/non-viable assets of SAIL.

* Power plants at BSL, DSP, RSP and BSP
* Oxygen plant-2 at Bhilai Steel Plant
* Salem Steel Plant (SSP)